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The Soviet orders have stimulated many branches of Hungarian industry. Shipbuilding has increased more than three times and locomotive production more than twice since prewar times.

The good quality of machinery, equipment, raw materials, and seeds imported from the USSR is an important factor in Hungarian industry and agriculture. At the same time, Soviet agencies set certain specifications which have proved beneficial to Hungarian industry, by requiring industry to develop to meet these higher requirements.

Hungarian foreign trade with the people's democracies has developed as well. Sixty percent of all foreign trade this year was carried on with the USSR and the people's democracies. Trade in manufacturing equipment has increased constantly, as a natural result of the policy of industrialization in effect in these countries.

The Council of Economic Mutual Aid has played an important role in widening and strengthening foreign-trade relations among the people's democracies.

Long-term commercial treaties have come to enjoy great popularity. The treaties, based on the long-term plans of the people's democracies, provide for the various raw materials essential to industry, varied machinery for transportation and agriculture not produced in Hungary, and the equipment necessary to fulfill investment plans. At the same time, these treaties enable Hungary to carry out a planned increase in exports. This is significant because the Hungarian production potential can be exploited to the utmost in this way in the most economical manner. At the same time, production can be planned soundly and gradual conversion to mass production becomes possible.

A 5-year commercial treaty was signed with Poland recently, and soon one will be signed with the USSR. This year, commercial relations were established and strengthened with several South American, Middle Eastern and Far Eastern countries. Of the 25 Hungarian foreign-trade representations, 17 are active in capitalist countries, and it is planned to establish more.

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